

## Message Text

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ORIGIN EB-08

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FM SECSTATE WASHDC  
TO AMEMBASSY CANBERRA PRIORITY

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E.O. 11652: N/A

TAGS: EWWT, AS

SUBJECT: U.S. SHIPPING LEGISLATION AND ADMINISTRATION  
REVIEW

REF: CANBERRA 3536

1. PER REQUEST REFTTEL, DEPT HAS SUPPLIED BELOW A SHORT SUMMARY ON STATUS OF CURRENT SHIPPING LEGISLATION NOW BEFORE THE CONGRESS. THE EVENTUAL ENACTMENT OF ANY OF THESE BILLS OR ANY OTHER LEGISLATION IN THIS AREA IS NOW QUESTIONABLE SINCE THE WHITE HOUSE HAS JUST BEGUN AN ADMINISTRATION REVIEW OF U.S. MARITIME POLICY. THE REVIEW IS EXPECTED TO TAKE APPROXIMATELY SIX MONTHS. THEREFORE, ALTHOUGH THE CONGRESS MAY CONTINUE TO HOLD HEARINGS, REPORT OUT AND EVEN PASS A NUMBER OF THESE BILLS, THE  
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EXECUTIVE AGENCIES HAVE NOT BEEN PERMITTED TO TESTIFY ON THE SUBSTANCE OF AN ADMINISTRATION POSITION AND NATURE OF PRESIDENTIAL ACTION IS UNKNOWN. IN SELECTED CASES, OMB HAS PERMITTED INDIVIDUAL AGENCIES TO TESTIFY AS TO THEIR AGENCIES' POSITIONS, WITH THE CLEAR CAVEAT THAT THE ADMINISTRATION ITSELF HAS NOT YET DEVELOPED ITS POSITION ON THE PARTICULAR LEGISLATION. IN THE CASE OF ONE BILL,

HOWEVER, H.R. 9998, THE ADMINISTRATION HAS AGREED TO

SUPPORT THE BILL WITH SPECIFIC AMENDMENTS (SEE BELOW).

2. H.R.9518--ANTI-REBATING BILL. DESPITE OPPOSITION OF THE DEPARTMENT AND OTHER AGENCIES TO THIS BILL IN ITS PRESENT FORM, THE HOUSE HAS PASSED IT WITH ONLY ONE DISSENTING VOTE. IN ITS PRESENT FORM, THE BILL WOULD IMPOSE SUSPENSION OF TARIFFS FOR REBATING OR FAILURE TO RESPOND TO FMC DOCUMENT REQUESTS. THE SENATE COMMERCE COMMITTEE IS ABOUT TO MARK UP ITS COMPANION BILL.

3. H.R.11422--CLOSED CONFERENCE BILL. THE HOUSE MERCHANT MARINE AND FISHERIES COMMITTEE HAS HELD INITIAL HEARING ON THIS OMNIBUS BILL. THE GENERAL REACTION AMONG ADMINISTRATION AGENCIES AND ELSEWHERE IS THAT THE BASIC ISSUES ADDRESSED IN THE BILL, SUCH AS CLOSED CONFERENCES, SHIPPERS COUNCILS, DEFERRED REBATES, ETC., MUST BE GIVEN CAREFUL STUDY BEFORE DECISIONS EFFECTING A RADICAL CHANGE IN U.S. SHIPPING POLICY CAN BE MADE (SEE PARA. 1 ABOVE). THE SENATE HAS YET TO TAKE ACTION ITS COMPANION BILL. IN THIS REGARD THE DEPT (EB/TRA/MA) HAS BEEN IN CONTACT WITH THE AUSTRALIAN EMBASSY IN WASHINGTON CONCERNING AUSTRALIA'S EXPERIENCES WITH CLOSED CONFERENCES, SHIPPERS COUNCILS, ETC., SINCE ADOPTION OF THE TRADE PRACTICES ACT. A REQUEST HAS ALSO BEEN MADE FOR A COPY OF THE GRIGER LIMITED OFFICIAL USE

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REPORT ON AUSTRALIAN SHIPPING.

4. H.R.9998--CONTROLLED CARRIER BILL. THE ADMINISTRATION HAS TESTIFIED IN FAVOR OF THIS BILL PROVIDED CERTAIN CHANGES ARE MADE IN IT. THE HOUSE MERCHANT MARINE AND FISHERIES COMMITTEE HAS YET TO REPORT IT OUT. ITS SENATE COMPANION, S.2873, WILL BE SUBJECT TO HEARINGS WITHIN THE NEXT TWO WEEKS. THAT VERSION CONTAINS SIGNIFICANT DIFFERENCES WITH WHICH THE ADMINISTRATION MAY HAVE DIFFICULTIES, SUCH AS PERMANENT RATE-SETTING AUTHORITY FOR THE FMC. SUCH DIFFERENCES MAY IMPEDE PASSAGE.

5. S.2386--RECIPROCAL AGREEMENT BILL. SENATE COMMERCE SUBCOMMITTEE HAS HELD HEARINGS (AT WHICH ADMINISTRATION AGENCIES WERE NOT PERMITTED TO TESTIFY BY OMB SINCE AN ADMINISTRATION POSITION HAD NOT YET BEEN ESTABLISHED), BUT IT HAS YET TO REPORT IT OUT. COMPANION BILLS HAVE BEEN INTRODUCED IN THE HOUSE AND HEARINGS ARE SCHEDULED WITHIN TWO WEEKS. AGENCIES MAY BE PERMITTED TO TESTIFY AS TO THEIR INITIAL THOUGHTS, BUT OMB WILL REQUIRE THAT STATEMENTS BE MADE INDICATING THAT AN ADMINISTRATION POSITION WILL NOT BE SET UNTIL COMPLETION OF THE OVERALL POLICY

REVIEW.

6. DEPT HOPES THAT THE ABOVE IS OF ASSISTANCE. MINISTER

NIXON'S ATTENTION MAY ALSO BE DIRECTED TO THE REPORT OF  
THE WORKING GROUP OF THE OECD MARITIME TRANSPORT COMMITTEE  
HELD APRIL 10, 1978 WHEREIN THE USDEL GAVE A FULL STATUS  
REPORT OF PENDING U.S. SHIPPING LEGISLATION.

7. IF DEEMED NECESSARY BY EMBASSY AND AT ITS REQUEST, DEPT  
WOULD BE HAPPY TO FORWARD COPIES OF BILLS, ETC.  
VANCE

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## Message Attributes

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